GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:4561
ANSWERED ON:22.04.2013
NON UTILISATION OF CONSTRUCTION WELFARE CESS
Sugavanam Shri E.G.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether only a fraction/small part of the labour cess collected from labourers including construction workers is being utilised and if so, the details thereof;

(b) whether the Government is also aware that many of the Government agencies are not properly utilizing the funds collected for the intended purpose and the workers are not getting the deserving benefits;

(c) if so, the reaction of the Government thereto along with the action taken by the Government against the guilty officials as on date; and

(d) the remedial measures taken by the Government to protect the interest of such workers in the country?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a) to (d): As per the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the State Building and Other Construction Worker Welfare Board constitutes a fund called Building and Other Construction Workers Welfare Fund. The main source of the fund is cess @ 1% of the construction cost collected by State Governments which is transferred to the Boards as provided in the Building and Other Construction Workers Cess Act, 1996.As per the information received from State Governments, the total amount collected as construction cess as on 31.12.2012 is Rs. 9325.42 crore, out of which Rs. 1178.63 crore has been utilised for welfare of construction workers.

The Union Government has been issuing instructions to the States for speedy and proper implementation of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and Other Construction Workers' Welfare Cess Act, 1996 from time to time at appropriate levels. Instructions were issued under section 6 0 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 by the Union Secretary (Labour & Employment) on 27.09.2010. Union Minister of Labour & Employment also wrote to the Chief Ministers of the States/UTs in April, 2010 and in June, 2012 requesting them to take steps for collecting and utilizing cess and implementing the Acts. Union Secretary (Labour & Employment) has also written to Chief Secretaries of the States/ UTs on 29th June, 2012 suggesting, inter-alia, to take steps for accelerating registration of workers, drawing out strategies for implementing model schemes of the Central Government like Rashtriya Swasthya Bima Yojana (for health and maternity benefit), Aam Admi Bima Yojana (for life and disability cover) and Swawalamban (for pension) and utilizing welfare funds for other welfare measures including vocational training and skill development of the construction workers and their children.